

U. S. TREASURY DEPARTMENT  
Internal Revenue Service  
Washington 25, D. C.

Alcohol and Tobacco Tax Division  
Industry Circular No. 56-43

November 26, 1956

Proposed Amendments of Parts 194, 225, 230,  
231, 235, and 252 Relating to Exportation  
of Taxpaid Distilled Spirits and Wines

Proprietors of internal revenue bonded  
warehouses, taxpaid bottling houses,  
taxpaid wine bottling houses, and  
rectifying plants; wholesale liquor  
dealers; and others concerned:

1. The purpose of this industry circular is to provide information concerning proposed amendments of regulations in 26 CFR Part 194, "Liquor Dealers," Part 225, "Warehousing of Distilled Spirits," Part 230, "Bottling of Taxpaid Spirits," Part 231, "Taxpaid Wine Bottling Houses," Part 235, "Rectification of Spirits and Wines," and Part 252, "Drawback on Liquors Exported." These proposed amendments were published as notices of proposed rule making in the Federal Register on November 17, 1956.

2. The purposes of the proposed amendments are:

- (a) To eliminate existing requirements relating to the construction of export storage rooms and will also remove the requirements for Government sealed locks on the doors of such rooms. It is proposed to require simply that all products bottled or packaged for export be segregated from all other products during storage. The present requirement for the proprietor of an internal revenue bonded warehouse to file, on Form 27-D, a supplemental application for the establishment of an export storage room would also be eliminated.
- (b) To permit the proprietors of warehouses, rectifying plants, and taxpaid bottling houses to provide, contiguous to their establishments, storage facilities for taxpaid distilled spirits and wines which have

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been bottled or packaged especially for export, and to establish, at any non-contiguous location, storage facilities for taxpaid distilled spirits which have been bottled and stamped and are in immediate containers having a capacity not in excess of one wine gallon, and taxpaid wines which have been bottled or packaged, especially for export with benefit of drawback.

- (c) To permit the proprietor of any taxpaid wine bottling house to provide on, or contiguous to, or at locations non-contiguous to, his qualified premises export storage facilities for taxpaid wines which have been bottled or packaged especially for export with benefit of drawback.
- (d) To permit any person holding a wholesale liquor dealer permit, issued under the Federal Alcohol Administration Act, to engage in the business of receiving, storing, and exporting taxpaid distilled spirits which have been bottled and stamped and are in immediate containers having a capacity not in excess of one wine gallon, and taxpaid wines which have been bottled or packaged, especially for export with benefit of drawback.
- (e) To permit the transfer of taxpaid distilled spirits and wines which have been bottled or packaged especially for export between any export storage premises, subject to the following limitations:
  - (1) The transfers of taxpaid distilled spirits to wholesale liquor dealers and to noncontiguous premises operated by proprietors of warehouses, rectifying plants, and taxpaid bottling houses are

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restricted to such spirits which have been bottled and stamped and are in immediate containers not in excess of one wine gallon.

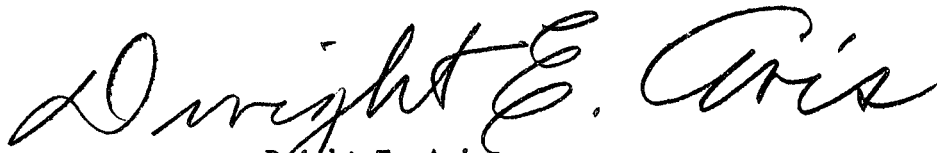
- (2) The transfers to taxpaid wine bottling houses are limited to taxpaid wines which have been bottled or packaged for export.
- (f) To require that, when taxpaid distilled spirits are bottled for export, each bottle bear a bottle strip stamp which has been overprinted with the word "EXPORT". Provisions are made for the overprinting of red strip stamps to be used for this purpose. (Present stocks of taxpaid distilled spirits which have been bottled especially for export and which do not bear a bottle strip stamp may be removed for exportation. However, if it is desired to transfer such spirits to other export storage, it would be necessary to affix to each bottle the required bottle strip stamp before such transfer is made.
- (g) To provide, in cases of shipments for the use of the armed services of the United States, for the certification of lading by the armed services' port transportation officer, and for the direct transmittal of the certification from such officer to the assistant regional commissioner (alcohol and tobacco tax).
- (h) To provide for the acceptance of railway express receipts in lieu of bills of lading where exportation is by railway express to contiguous foreign countries.

3. Forms 1656, 1582, and 1582-A are being revised and supplies will be furnished regional offices so that they may be used when the proposed amendments become effective. Use of the present revision of such forms will be discontinued on that date.

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4. The proposed notice of rule making provides that prior to adoption consideration will be given to any data, views, or arguments pertaining thereto which are submitted in writing to the Director, Alcohol and Tobacco Tax Division, Internal Revenue Service, Washington 25, D. C., within 30 days from the date of publication.

5. Inquiries relative to this industry circular should refer to the number thereof and be addressed to the office of your assistant regional commissioner (alcohol and tobacco tax).

  
Dwight E. Avis  
Director, Alcohol and Tobacco Tax Division